# THE DEPARTMENT OF STATE BULLETIN

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FEBRUARY 24, 1940

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# EXPORT OF PETROLEUM PRODUCTS TO THE SOVIET UNION

Letter from the Secretary of State to Representative Frank E. Hook

[Released to the press February 20]

The following letter from the Secretary of State to the Honorable Frank E. Hook, House of Representatives, was made public at the Capitol on February 20:

"FEBRUARY 19, 1940.

"My DEAR MR. HOOK:

"I acknowledge the receipt of your letter of February 10, 1940, in regard to the export of petroleum products from the United States to the Union of Soviet Socialist Republics.

"According to available records, there were no exports of oil to the country in question during 1939, other than a nominal amount of lubricating oils valued at \$94. There were no exports of aviation gasoline to the U.S.S.R. during 1939 or during January 1940, with the exception of two barrels for experimental purposes. Exports of regular gasoline during 1939 amounted to 883,530 barrels, all of which went to Siberia and were exported during the months of September, October and November. Heavy shipments of gasoline to Siberia during the autumn are not unusual. There were no exports of gasoline to the Soviet Union during December 1939, although approximately 75,000 barrels were exported to Eastern Siberia during January 1940.

"There is no existing legislation which authorizes the prohibition of the export of petroleum products to the U. S. S. R. or to any other country. Before such exports could be prohibited, new legislation would be required. Furthermore, the mere severance of diplomatic relations with the Soviet Union would not prevent the sale and export of petroleum products to that country.

"I may point out, however, that the Department has taken steps to discourage the further delivery of plans, plants, manufacturing rights, or technical information required for the production of high quality aviation gasoline to countries the armed forces of which are engaged in the unprovoked bombing or machine-gunning of civilian populations from the air. This policy was announced by the Department in a statement issued to the press on December 20, 1939, a copy of which is enclosed.

"I am enclosing, for your further information, a copy of the press release issued by the Department on December 15, 1939.3

"Sincerely yours,

CORDELL HULL"

<sup>&</sup>lt;sup>1</sup> Not printed. 212699—40——1

<sup>&</sup>lt;sup>1</sup> See the Bulletin of December 23, 1939 (Vol. I, No.

<sup>26),</sup> p. 714.
See the *Bulletin* of December 16, 1939 (Vol. I, No. 25), p. 685.

# CENSORSHIP OF AIR MAILS AT BERMUDA

[Released to the press February 23]

The censorship of air mails at Bermuda was commenced on January 18. The consul at Bermuda immediately telegraphed the Department stating that the censor at Bermuda had removed for purposes of censorship all sacks of throughbound mail for Europe from the American Clipper plane en route to Lisbon, though bags for England and France were not to be examined at Bermuda.

Before the mail was actually removed the traffic representative for Pan American Airways and the captain of the plane communicated with the consul at Bermuda. The consul recommended that prior to permitting mail to be taken off they lodge a written protest, which they did, and that no assistance in unloading be lent to the British authorities. At the same time the consul orally protested to the chief censor and

on the next day addressed a formal note to the Colonial Secretary. Both the oral and the written protests were made on the consul's own authority and not by instructions from the Department.

The Department also received a telegram from President Trippe of Pan American Airways on January 19, the day following this act of censorship. No mention is anywhere made either in the telegram from Mr. Trippe or in our reports from the American consul that any force was used or threatened in connection with this removal of mails from the plane. Both the captain of the plane and the Pan American representative were in communication with the consul and had every opportunity to mention any use of force or threat of force by the British authorities, as did Mr. Trippe in his telegram to the Department.

# DETENTION BY BELLIGERENTS OF AMERICAN VESSELS FOR EXAMINATION OF PAPERS OR CARGOES

[Released to the press February 24]

Following is a list of American vessels in addition to the tabulation issued on January 8, 1940, showing the American vessels which have

been reported to the Department of State as having been detained by belligerents since September 1, 1939, for examination of papers or cargo:

| Name of vessel   | Owner or operator            | Cargo  | Detained   | Released         |
|------------------|------------------------------|--|--|------------------|
| Western Queen    | Lykes Bros. S. S. Co         |  | British authorities, Jan. 9, 1940,<br>at Gibraltar.  | After several    |
| Tripp            | Lykes Bros. S. S. Co         | Mixed, carbon<br>black, oils, cop-<br>per, lead, man-<br>ganese ore. | British authorities, Jan. 11, 1940,<br>at Gibraltar. Destination Gen-<br>oa. Proceeded on holdback<br>guaranty. 2 items seized, 7<br>detained for guaranties, 2 for    | Jan. 13, 1940.   |
| President Adams. | American President<br>Lines. | Mixed, fibre, hemp,<br>tea, silk, tin,<br>rubber, coffee,<br>oil.    | fuller inquiries. British authorities, Dec. 29, 1939, at Port Said. Destination Alexandria, Genoa, New York. Suspect cargo discharged at Alexandria. 1 item seized, 18 | 4-               |
| Manhattan        | United States Lines          |  | items detained for guaranties.<br>British authorities, Jan. 17, 1940,<br>at Gibraltar.   | After few hours. |

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| Name of vessel          | Owner or operator   | Cargo   | Detained   | Released           |
|-------------------------|---|---|--|--------------------|
| Narbo                   | Lykes Bros. S. S. Co  | Mixed, cotton,<br>lead, rosin.  | British authorities, Jan. 13, 1940,<br>at Gibraltar. Destination Italy,<br>Yugoslavia, Greece. Vessel  | Jan. 14, 1940      |
|                         |   |   | proceeded on holdback guaranty. 2 items seized, 23 subject to guaranty, 27 released.   |                    |
| Excambion               | American Export Lines   | Mixed, 170 items. Glycerine oil, sugar, cotton, jute, rubber, copper. | British authorities, Jan. 17, 1940,<br>at Gibraltar. 470 sacks mail<br>seized—54 German, 80 Italian,<br>336 ordinary German. Cargo<br>released on Black Diamond      | Jan. 23, 1940      |
| Washington              | United States Lines   | Mixed, 160 items,<br>coffee, cocoa,<br>lard, oils, cas-<br>ings, wax. | guaranty. Destination Genoa.<br>British authorities, Jan. 20, 1940,<br>at Gibraltar. Destination Gen-<br>oa. Released on holdback<br>guaranty.                       | After sever hours. |
| President Van<br>Buren. | American President<br>Lines.  | Mixed, oil, cotton,<br>silk, tin, rubber.                             | British authorities, Jan. 10, 1940,<br>at Port Said. Destination<br>Genoa, New York. Vessel dis-<br>charged items of suspect cargo<br>at Alexandria and proceeded    | 1 - 1 - 10-        |
| Nishmaha                | Lykes Bros. S. S. Co  |   | on voyage. 3 items detained<br>subject to guaranties.<br>British authorities, Jan. 21, 1940,   | Jan. 22, 1940      |
| Examelia                | American Export Lines_  |   | at Gibraltar.<br>British authorities, Jan. 20, 1940,   | Jan. 31, 1940      |
| Excellency              | American Export Lines_  |   | at Gibraltar.<br>British authorities, Jan. 22, 1940,   | Jan. 23, 1940      |
| Cold Harbour            | U. S. Maritime Com-<br>mission (United<br>States Lines, char-       | 1,380 tons cork-<br>wood.   | at Gibraltar. British authorities, Jan. 27, 1940, at Gibraltar. Destination Lis- bon to Odessa.  | Jan. 30, 194       |
| Sarcoxic                | terer). U. S. Maritime Commission (United States Lines, charterer). |   | British authorities, Jan. 28, 1940, at Gibraltar.  | After severa       |
| Exochorda               | American Export Lines   |   | British authorities, Jan. 29, 1940, at Gibraltar.  | Feb. 1, 1940.      |
| Washington              | United States Lines   |   | British authorities, Jan. 31, 1940,  | After severs       |
| Jomar                   | Tampa Interocean<br>S. S. Co. (Chilean<br>Nitrate Sales Corp.,      |   | at Gibraltar. British authorities, Jan. 31, 1940, at Gibraltar.  | Feb. 1, 1940.      |
| Exminster               | charterer).<br>American Export Lines_                               |   | British authorities, Feb. 1, 1940,   | Feb. 9, 1940.      |
| Manhattan               | United States Lines   |   | at Gibraltar. French authorities, Feb. 2, 1940. Stopped by French patrol vessel cp 14 about 25 miles southeast Cape St. Vincent and                                  |                    |
|                         | F of Heat o   | 7-1   | ordered to proceed to Gibraltar for examination.   | T. 4 1040          |
| Manhattan               | United States Lines   |   | British authorities, Feb. 3, 1940,<br>at Gibraltar. 390 sacks<br>German mail seized, but Ameri-<br>can diplomatic mail pouches<br>were not disturbed,                | Feb. 4, 1940.      |
| Waban                   | Lykes Bros. S. S. Co  | Mixed, 90 items.<br>Cotton, bean oil,<br>lead.                        | British authorities, Jan. 28, 1940,<br>at Gibraltar. Destination<br>Italy and Greece. Vessel pro-<br>ceeded on holdback guaranty.<br>1 item seized, 34 detained sub- |                    |
| Exford                  | American Export Lines.  | Mixed, 90 items,<br>oil, aluminum,<br>lead, tin plate,<br>steel, etc. | ject to guaranty. British authorities, Feb. 5, 1940, at Gibraltar.   | Feb. 13, 1940.     |

| Name of vessel | Owner or operator     | Cargo  | Detained   | Released             |
|----------------|-----------------------|--|--|----------------------|
| Scottsburg     | Lykes Bros. S. S. Co  |  | British authorities, Feb. 8, 1940, at Gibraltar.     | Feb. 9, 1940.        |
| West Chatala   | Lykes Bros. S. S. Co  | Mixed, 90 items,<br>rice, cotton, as-<br>phalt, coffee,<br>wax, etc. | British authorities, Feb. 10, 1940,<br>at Gibraltar. | After several hours. |
| Manhattan      | United States Lines   |  | British authorities, Feb. 14, 1940, at Gibraltar.    | After several        |
| Exermont       | American Export Lines |  | British authorities, Feb. 14, 1940, at Gibraltar.    | Feb. 16, 1940.       |

#### [Released to the press February 24]

A total of 108 American vessels have been reported to the Department of State as having been detained by belligerents between September 1, 1939, and February 15, 1940, for examination of papers or cargo.

The following tables give data concerning the average length of detentions:

# DETENTIONS OF AMERICAN SHIPS BY NATIONALITY

| By | French | authoritiesauthoritiesauthorities | 90<br>14<br>4 |
|----|--------|-----------------------------------|---------------|
|    | Total  |                                   | 108           |

## DETENTIONS OF AMERICAN SHIPS BY BELLIGERENTS

|            | Month      |      |       |      | Number<br>of vessels | Average<br>length of<br>detention |
|------------|------------|------|-------|------|----------------------|-----------------------------------|
|            |            |      |       |      |                      | Days                              |
| September. |            | <br> | <br>  |      | 19                   | 6. 3                              |
| October    |            |      |       |      | 26                   | 12.                               |
| November.  |            | <br> | <br>  | <br> | 22                   | 11.                               |
| December_  |            |      |       |      | 12                   | 7.                                |
| January    |            |      |       |      | 21                   | 4. 1                              |
| February ( | 1/2 month) | <br> | <br>- | <br> | 8                    | 3. 4                              |
| Tota       | d          | <br> | <br>  | <br> | 108                  |                                   |

#### DETENTIONS OF AMERICAN SHIPS AT GIBRALTAR

| Month                  | Number<br>of vessels | Average<br>length of<br>detention |
|------------------------|----------------------|-----------------------------------|
| 0.4.1                  |                      | Days                              |
| October<br>November    | 5 4                  | 7. 8                              |
| December               | 9                    | 9.                                |
| January                | 19                   | 4.                                |
| February (to the 15th) | 7                    | 3.                                |
| Total                  | 44                   |                                   |

# ESTONIA: ANNIVERSARY OF INDEPENDENCE

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[Released to the press February 24]

The President has sent the following message to the President of Estonia, Konstantin Päts:

"THE WHITE HOUSE, February 24, 1940.

"On behalf of the people of the United States and in my own name I extend to Your Excellency on this anniversary of the independence of Estonia most cordial greetings and the assurances of my best wishes.

FRANKLIN D. ROOSEVELT"

# The American Republics

# REPLIES TO PROTEST OF THE TWENTY-ONE AMERICAN REPUBLICS ON VIOLATION OF THE NEUTRALITY ZONE '

[Released to the press February 23]

#### GREAT BRITAIN AND FRANCE

Following is a translation of a communication to the Secretary of State from the Secretary of Foreign Affairs and Communications of the Republic of Panama, transmitted through the Embassy of Panama in Washington:

PANAMÁ, January 26, 1940.

MR. SECRETARY:

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For Your Excellency's information, I have the honor to transmit to you an authenticated copy of the notes from His Britannic Majesty's Minister and from the Chargé d'Affaires of France, forwarding the replies of the Governments of Great Britain and France to the cablegrams which the President of Panama, in behalf of the 21 American Republics, sent to His Majesty King George VI and to the President of the French Republic, in connection with the encounter between naval forces of the British and German belligerents which occurred on December 13, 1939, within the Security Zone decided upon at the Consultative Meeting of the Ministers of Foreign Affairs of the American Republics, held toward the end of last year in this city.

I take [etc.]

NARCISO GARAY

[Enclosure 1]

[The British Minister in Panama to the Panamanian Secretary of Foreign Affairs and Communications]

British Legation, Panamá, January 14th, 1940. His Excellency Dr. Narciso Garay, Secretary of State for Foreign Affairs, Panamá.

MONSIEUR LE MINISTRE,

On December 23rd the Acting President of the Republic of Panama communicated to His Majesty The King the text of a document agreed upon unanimously by the 21 American Republics in connection with the recent encounter in the South Atlantic between certain of His Majesty's Ships and the German warship Admiral Graf Spee. On December 27th His Majesty formally acknowledged the receipt of this document, stating that, in accordance with constitutional practice, he had referred it for the consideration of his responsible Ministers.

I now have the honour, under instructions from His Majesty's Principal Secretary of State for Foreign Affairs, to communicate to Your Excellency the enclosed statement on behalf of His Majesty's Government in the United Kingdom and to request that Your Excellency will be good enough to communicate it to the other Pan-American Governments.

I have [etc.]

CHARLES DODD

[Subenclosure]

His Majesty's Government in the United Kingdom have devoted most careful consideration to the communication agreed upon unanimously by the 21 American Republics, the text of which was telegraphed to His Majesty The King by the Acting President of Panama on December 23rd last. In that communication reference was made, among other matters, to the recent naval action between British and German warships in the South Atlantic and to the maritime security zone described in the Declaration of Panama of October 3rd, 1939.

<sup>&</sup>lt;sup>4</sup>See the Bulletin of December 23, 1939 (Vol. I, No. 26), p. 723.

His Majesty's Government, who themselves so long strove to prevent war, fully appreciate the desire of the American Republics to keep the war away from the shores of the American Continent. It was therefore not merely with interest but with understanding that His Majesty's Government learned of the maritime security zone proposal. His Majesty's Government noted with satisfaction from the Declaration of Panama itself that the attempt would be made to base the observance of its provisions upon the consent of the belligerents. This fresh expression of adherence to the idea of solving international difficulties by mutual discussion, which has always been upheld by the American Republics, confirmed His Majesty's Government's belief that these Powers would not attempt to enforce observance of the zone by unilateral action and encouraged their hope that it would be possible to give effect by means of negotiation to the intentions which inspired it.

It was in this spirit that His Majesty's Government were examining the proposal of the Conference of Panama at the time when the communication of December 23rd was received. In view of this communication His Majesty's Government desire to draw the attention of the American Republics to the following considerations: It will be apparent, in the first place, that the proposal, involving as it does the abandonment by the belligerents of certain legitimate belligerent rights, is not one which on any basis of International Law can be imposed upon them by unilateral action, and that its adoption requires their specific assent. The acceptance by His Majesty's Government of the suggestion that the belligerents should forego their rights in the zone must clearly be dependent upon their being assured that the adoption of the zone proposal would not provide German warships and supply ships with a vast sanctuary from which they could emerge to attack Allied and neutral shipping, to which they could return to avoid being brought to action, and in which some un-neutral service might be

performed by non-German ships, for example by the use of wireless communications. It would also be necessary to ensure that German warships and supply ships would not be enabled to pass with impunity from one ocean to another through the zone, or German merchant ships to take part in inter-American trade and earn foreign exchange, which might be used in attempts to promote subversion and sabotage abroad and to procure supplies for the prolongation of the war, thus depriving the Allies of the fruits of their superiority at sea. Moreover, the acceptance of the zone proposals would have to be on the basis that it should not constitute a precedent for a far-reaching alteration in the existing laws of maritime neutrality.

Unless these points are adequately safeguarded, the zone proposals might only lead to the accumulation of belligerent ships in the zone. This in turn might well bring the risk of war nearer to the American States and lead to friction between on the one hand the Allies, pursuing their legitimate belligerent activities, and on the other the American Republics, endeavouring to make this new policy prevail.

The risk of such friction, which His Majesty's Government would be the first to deplore, would be increased by the application of sanctions. His Majesty's Government must emphatically repudiate any suggestion that His Majesty's Ships have acted, or would act, in any way that would justify the adoption by neutrals of punitive measures which do not spring from the accepted canons of neutral rights and obligations. If, therefore, the American States were to adopt a scheme of sanctions for the enforcement of the zone proposal, they would, in effect, be offering a sanctuary to German warships, within which His Majesty's Ships would be confronted with the invidious choice of having either to refrain from engaging their enemy or laying themselves open to penalties in American ports and waters.

Up to the present it does not appear that means have been found by which the disadvantages of the zone proposal could be eliminated. ETIN

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That this is the case was shown by the operations in the zone of the warship Admiral Graf Spee and the supply ship Tacoma.

With regard to the specific incidents of which mention is made in the communication under reply, His Majesty's Government must observe that the legitimate activities of His Majesty's Ships can in no way imperil, but must rather contribute to the security of the American Continent, the protection of which was the object of the framers of the Declaration of Panama. His Majesty's Government cannot admit that there is any foundation for a claim that such activities have in any way exposed them to justifiable reproach, seeing that the zone proposal has not been made effective and belligerent assent has not yet been given to its operation.

In view of the difficulties described above, it appears to His Majesty's Government that the only effective method of achieving the American object of preventing belligerent acts within the zone would be, firstly, to ensure that the German Government would send no more warships into it. Secondly, there are obvious difficulties in applying the zone proposal at this stage of the war when so much German shipping has already taken refuge in American waters. If the Allies are to be asked to forego the opportunity of capturing these vessels, it would also seem to be necessary that they should be laid up under Pan-American control for the duration of the war.

In the view of His Majesty's Government it would only be by means such as those indicated that the wish of the American Governments to keep war away from their coasts could be realised in a truly effective and equitable manner. Until His Majesty's Government are able to feel assured that the scheme will operate satisfactorily, they must, anxious as they are for the fulfilment of American hopes, necessarily reserve their full belligerent rights in order to fight the menace presented by German action and policy and to defend that conception of law and that way of life, which they believe to be as dear to the peoples and Governments of America

as they are to the peoples and Governments of the British Commonwealth of Nations.

[Enclosure 2-Translation]

[The French Chargé in Panama to the Panamanian Secretary of Foreign Affairs and Communications]

Legation of France, Panamá, January 23, 1940.

His Excellency Mr. Narciso Garax,

Secretary of State for Foreign Affairs and

Communications,

Panamá.

Mr. Secretary:

As Your Excellency knows, on December 23rd last His Excellency Mr. Augusto S. Boyd, Acting President of the Republic of Panama, sent to the President of the French Republic the text of a note the terms of which had been drawn up in common accord by the twenty-one American Republics, regarding a naval action that had taken place between English and German warships close to the coast of Uruguay.

On January 4th, Mr. Albert Lebrun acknowledged receipt of the communication in question, indicating that the French Government would submit to a thorough examination the problems raised by the American Republics, problems with regard to which it reserved its stand.

By order of my Government, I have the honor to send to Your Excellency, under this cover, the response of Mr. Daladier, requesting you to be good enough to communicate it to the American Republics which signed the Declaration of Panama.

I take [etc.] PIERRE H. DE LA BLANCHETAI

[Subenclosure—Translation]

The Government of the French Republic has examined with attention the communication which the Acting President of the Republic of Panama was good enough to address to the President of the French Republic on December 23rd last, following a unanimous agreement among the twenty-one American Republics.

This note referred to a naval action that had taken place between British and German warships after the *Admiral Graf Spee* had attempted to come up with the French merchant vessel *Formose* for the purpose of destroying it.

2. This communication referred to the desire manifested by the American Republics in the Declaration of Panama to keep the war away from the coasts of the American continent. The Government of the Republic, which strove for a long time to avoid war, fully appreciates the desire of the American Republics, and has examined in the most sympathetic spirit their proposal aiming at the establishment of a zone of maritime security. It interprets the steps taken in the name of the American Governments both on December 23rd and also by the preceding communication of the Declaration of Panama as implying that in the minds of those Governments the constitution of such a zone, involving a renunciation by the belligerent states of the exercise, over wide areas, of rights well established by international custom, could result only from an agreement among all the states interested.

3. The recent occurrences to which the communication addressed to the Government of the French Republic in the name of the American Republics refers illustrate very plainly the situation which is to be regulated. These facts arise from the attempt of the Admiral Graf Spee to attack and destroy, within the zone of maritime security, the French merchant vessel Formose. It is evident that under the conditions of the present war such attempts on the part of the Germans can have no effect on the outcome of this war. It is no less clear that if such acts are committed or attempted it is the strict right of France and Great Britain to oppose this in good time by a counter-attack and that they cannot be asked to renounce this right. It follows that, if the maritime security zone is to become a reality, as the American Governments desire, it is necessary for the latter to furnish the Government of the Republic with satisfactory assurance that the German Government will no longer send warships or supply ships into that zone.

4. The incontestable superiority that France and Great Britain have over Germany in the Atlantic and the Pacific Oceans has had the result that numerous German merchant vessels normally have no other resource for escaping the legitimate exercise of the right of taking prizes than to seek refuge in American ports. The institution of the zone of protection could not have the effect of releasing them and of thus depriving the Allies of advantages for them arising out of their naval superiority over Germany. It would therefore have to include, on the part of each American Government, effective measures adapted to hold in its ports the German ships which have taken refuge there.

5. The American Governments do not appear to contemplate assuming the responsibility of insuring within the wide areas which would constitute the zone of protection the suppression of acts of aid to the enemy (un-neutral service). The possibility of such acts is so great, thanks in particular to radio communications, that naval forces could not be deprived of the right of preventing them and repressing them to the full extent permitted by international law.

6. These are the bases on which, if the American Governments cause them to be accepted by all the belligerent states, there must, in the opinion of the Government of the Republic, be sought the accomplishment of the aims pursued by the American Republics.

7. The Government of the Republic is not unaware that because of the novelty of the procedure and the extent of the zone differences of opinion may arise over concrete cases. At least, they can be easily discussed through diplomatic channels if, in application as well as in theory, an effort is made to follow the method of free discussion and reciprocal agreement. On the other hand, there would be danger of provoking regrettable friction by proceeding unilaterally, departing from the habitual practice of nations. Such friction would be particularly serious if it proceeded from punitive measures against ships that had done nothing contrary to international law. To refuse, in a case of this kind, refuge, transit or refueling to a warship would contrast badly with the ETIN

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line of conduct adopted by the Government of Uruguay with regard to the Admiral Graf Spee.

8. The Government of the Republic hopes that by thus setting forth its sentiments it will have contributed to the putting into practice of the views by which the twenty-one American Republics have been inspired. At the same time, it anticipates that the latter will recognize that as long as an agreement is not reached on the bases described above, the Government of the Republic retains the full exercise of its rights as a belligerent, which are founded on international law and which must permit it to safeguard the principles of law and the concept of life which it shares with the Governments and the peoples of America.

DALADIER

#### GERMANY

Following is a translation of a note received by the Secretary of State from the Ambassador of Panama in Washington:

> Embassy of Panama, Washington, February 16, 1940.

Mr. Secretary:

I have the honor to transmit to Your Excellency herewith a copy of the note, with a translation thereof into Spanish, addressed to the Panamanian Chancellery by the Chargé d'Affaires of Germany in Panama, by means of which he replies in the name of his Government to the protest which the American Republics, through His Excellency the President of the Republic of Panama, addressed on December 23, 1939, to the countries which violated the Security Zone established in the Declaration of Panama, of October 3, 1939.

I avail [etc.]

JORGE E. BOYD

[Enclosure—Translation]

Communication Received by the Panamanian Chancellery From the Chargé d'Affaires of Germany in Panama

His Excellency Mr. NARCISO GARAY, Minister of Foreign Affairs, Panamá.

## MR. MINISTER:

The late President of Panama communicated to the Chancellor of the German Reich, by a cablegram of October 4, 1939, on behalf of the American Republics, the text of the so-called Declaration of Panama, which sought to protect the neutral American republics against menace to their vital interests by the effects of the state of war existing at present. For that purpose, the establishment of a security zone is contemplated in the Declaration and of such a nature that no military operations may be carried on by belligerents in the waters adjacent to the American continent, to a fixed distance. The Governments of the American republics agree that they will endeavor to secure from the belligerents the recognition of such a security zone. In another telegram of the Acting President of the Republic of Panama, certain cases are mentioned, which, in the opinion of the American Governments, have been likely to endanger the efforts for the security of the American continent. In addition, it was stated in this telegram that the American Governments protested to the belligerent powers against these occurrences and that they had entered into consultation for the purpose of strengthening the system of common protection. The Chancellor of the German Reich acknowledged the receipt of these two telegrams by telegrams of October 23rd and December 29th, 1939, and added that he had instructed the German Government to consider the matter. As the result of this consideration, I have the honor to communicate the following to Your Excellency, with the request that it be transmitted to the other American Governments:

(1) The German Government welcomes the intention of the American Republics, expressed in the Declaration of Panama, to maintain strict neutrality during the present conflict, and fully understands that they wish, as far as possible, to take precautionary action against the effects of the present war on their countries and peoples.

(2) The German Government believes itself to be in agreement with the American Governments that the regulations contained in the

Declaration of Panama would mean a change in existing international law and infers from the telegram of October 4th of last year that it is desired to settle this question in harmony with the belligerents. The German Government does not take the stand that the hitherto recognized rules of international law were bound to be regarded as a rigid and forever immutable order. It is rather of the opinion that these rules are capable of and require adaptation to progressive development and newly arising conditions. In this spirit, it is also ready to take up the consideration of the proposal of the neutral American Governments. However, it must point out that for the German naval vessels which have been in the proposed security zone so far, only the rules of law now in effect could, of course, be effective. The German naval vessels have held most strictly to these rules of law during their operations. Therefore in so far as the protest submitted by the American Governments is directed against the action of German warships, it cannot be recognized by the German Government as well grounded. It has already expressed to the Government of Uruguay its divergent interpretation of the law also in the special case mentioned in the telegram of the Acting President of the Republic of Panama of December 24th. Besides, the German Government cannot recognize the right of the Governments of the American Republics to decide unilaterally upon measures in a manner deviating from the rules hitherto in effect, such as are to be taken under consideration by the American Governments against the ships of the belligerent countries which have committed acts of war within the waters of the projected security zone, according to the telegram of December 24th of last year.

(3) Upon considering the questions connected with the plan for the establishment of the security zone, there arises first of all one important point which causes the situation of Germany and the other belligerent powers to appear disparate with respect to this: that is, while Germany has never pursued territorial aims on the American continent, Great Britain and France have, however, during the course of the last few

centuries, established important possessions and bases on this continent and the islands offshore, the practical importance of which also with respect to the questions under consideration here does not require any further explanation. By these exceptions to the Monroe Doctrine in favor of Great Britain and France the effect of the security zone desired by the neutral American Governments is fundamentally and decisively impaired to start with. The inequality in the situation of Germany and her adversaries that is produced hereby might perhaps be eliminated to a certain extent if Great Britain and France would pledge themselves, under the guaranty of the American States, not to make the possessions and islands mentioned the starting points or bases for military operations; even if that should come about, the fact would still remain that one belligerent state, Canada, not only directly adjoins the zone mentioned in the west and the east, but that portions of Canadian territory are actually surrounded by the zone.

(4) Despite the circumstances set forth above, the German Government, on its side, would be entirely ready to enter into a further exchange of ideas with the Governments of the American Republics regarding the putting into effect of the Declaration of Panama. However, the German Government must assume from the reply of the British and French Governments, recently published by press and radio, that those two governments are not willing to take up seriously the idea of the security zone. The mere fact of the setting up of demands according to which entrance into the zone mentioned is not to be permitted to German warships, while the warships of the adversaries are officially to retain the right to enter the zone without restriction, shows such a lack of respect for the most elementary ideas of international law and imputes to the governments of the American states such a flagrant violation of neutrality that the German Government can see therein only the desire of the British and French Governments to do away with the basic idea of the security zone, first of all.

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(5) Although the German Government is entirely ready to enter into the proposals and suggestions of the American states in this field, the German Government can feel certain of a success of the continuation of the plan of the security zone only when the British and French position that has been made known is fundamentally revised.

I avail [etc.]

WINTER

### SUPPLEMENTARY EXTRADITION TREATY WITH GUATEMALA

An announcement regarding the signing in Guatemala City on February 20, 1940, of a supplementary extradition treaty with Guatemala, appears in this *Bulletin* under the heading "Treaty Information."

# **Publications**

# PUBLICATION OF "FOREIGN RELATIONS OF THE UNITED STATES: THE LANSING PAPERS, 1914–1920," VOLUME I

[Released to the press February 22]

The first of two volumes of Foreign Relations of the United States: The Lansing Papers 1914–1920, is being released today. The set contains approximately 1,400 pages of diplomatic correspondence and other documents, chiefly from the period of the World War, the greater part of which has not previously been published.

The documents contained in these two volumes constitute an extensive selection from the large body of correspondence of Robert Lansing, former Secretary of State, which was secured for the files of the Department of State following Mr. Lansing's death in 1928. These papers were, therefore, not available at the time when the volumes of Foreign Relations for the years 1914 through 1919 and the supplementary volumes on the World War and on Russia were compiled. A large number of the papers, however, seemed to have such great public interest that it was deemed desirable to publish these additional supplemental volumes. Although the volumes consist largely of papers received from the collection of Mr. Lansing, a certain number of closely related documents from other official sources, whose publication seemed desirable, have been included. These papers represent, therefore, an additional selection of documents from the period 1914 through 1920 bearing on

subjects which have already been presented in volumes of *Foreign Relations* dealing with that period.

Volume I consists entirely of documents from the period of American neutrality in the World War. In it are contained papers dealing with such subjects as efforts at neutralization of the Far East in the early stages of the war, the attitude of the United States toward the sale of munitions and extension of loans to belligerents, the discussion of the treatment of armed merchant ships, and the prolonged controversy with Germany over submarine warfare, culminating in the entry of the United States into the war.

The first volume is also of importance for the large number of letters and papers it contains from the pens of President Wilson, Secretary of State William J. Bryan, Secretary of State Robert Lansing, and Col. Edward M. House, as well as a number of American ambassadors and ministers in Europe including Walter Hines Page, James W. Gerard, Thomas Nelson Page, Frederic Penfield, Henry Morgenthau, Abram I. Elkus, and Brand Whitlock.

The volumes were compiled under the direction of the late Dr. Cyril Wynne, former Chief of the Division of Research and Publication, Department of State; Dr. E. Wilder Spaulding,

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present Chief of the Division; and Dr. E. R. Perkins, Chief of the Research Section of the Division. The selection and arrangement of the papers was the work of Dr. J. S. Beddie of the Research Section.

Copies of these volumes will shortly be obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at a price of \$1.50 for volume I and \$1.25 for volume II.

# Commercial Policy

# ARE TARIFF WALLS BLOCKADING AMERICA?

Address by Assistant Secretary Grady 5

[Released to the press February 18]

They are! Our own and those of other countries are restricting our prosperity and limiting our progress. The dependence of national wellbeing on foreign trade has been ignored, as is evinced in the trend of commercial policy during the peace intermission of the past two decades. In time of war, however, the vital importance of trade to a nation's existence is fully realized. The economic blockade, one of the chief weapons of warfare, is aimed at cutting off the trade of the enemy country and bringing about thereby its economic collapse and, consequently, its ultimate defeat. Strange as it may seem, we have in past years been waging economic warfare against ourselves. We cut off our own trade by a blockade of excessively high tariffs.

This economic stupidity was due to the lack of a commercial policy for protecting and promoting the interests of the Nation as a whole. We yielded to one pressure group after another seeking high-tariff protection for their own particular markets at the expense of other interests of the Nation. Robbing Peter to pay Paul results in no net increase in national prosperity. If we are to realize fully our economic potentialities, we must seek, with due regard to practical considerations, to produce goods which we are best adapted and equipped to produce.

The output which is in excess of our national requirements can then be exchanged for other commodities of foreign origin at lower cost than they could be produced at home. Therefore, all markets for American products, foreign as well as domestic, must be taken into account in any commercial policy designed to increase national prosperity.

Other nations also have established trade blockades against themselves. In the more extreme cases of this type of economic insanity, not only has the national well-being been seriously affected, but also democratic institutions have tended to deteriorate. Such devices for restricting imports as quotas, exchange control, clearing agreements, and barter lead to the extension of bureaucratic control into every corner of domestic business. In a country in which the national economy is subject to far-reaching governmental control, a need arises for concentrating its direction and responsibility for it in the hands of a few persons. Little room is left for private initiative or for the exercise of individual rights.

Furthermore, blockades of excessive trade restrictions lead ultimately to war. They cut off the trade not only of the countries which impose them but that of other countries as well. The world community becomes impoverished. Nations are unable to obtain on a cooperative and reciprocal basis access to world markets and foreign supplies of raw materials. In their struggle for such markets and supplies, they

<sup>&</sup>lt;sup>5</sup> Delivered at a special broadcast of the Round Table program of the University of Chicago over the red network of the National Broadcasting Co., February 18, 1940.

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resort to pressure methods and, rather than fail, to physical force.

The depression of 1930-32 shocked this country into adopting a sane commercial policy, embodied in our trade-agreements program. We seek in this program to promote the economic interests of the Nation as a whole, to preserve the economic foundation of our democratic institutions, and to encourage international economic cooperation in the interests of world peace and prosperity.

The trade-agreements program provides an effective means for building up foreign trade so vital to our national well-being. Trade is reciprocal in nature. Foreign customers cannot buy from us unless we buy from them. Trade agreements are based on this principle of reciprocity. In return for increased market opportunities abroad for our products, we agree to grant in the form of nonpolitical and economically sound adjustments in tariff rates increased opportunities in our markets for foreign products. Notwithstanding the loud and hollow protests of high-tariff lobbies, which have been trying especially hard recently to excite our farmers against the program, there is no evidence at all to support their contention that trade agreements have injured American industry, agriculture, and labor. In fact, the evidence is to the contrary. Even certain industries whose tariff protection has been reduced have benefited. This is because increased export trade brought about by trade agreements creates new purchasing power at home and thereby raises domestic business in general to a higher level of activity than would otherwise be possible.

Moreover, this program, in providing increased opportunities for trade, fosters private enterprise and individual initiative which are essential to a democratic economy. Trade restrictions which result in the piling up of export surpluses and in depressed prices lead to drastic and sometimes permanent measures for the control of domestic production which means, to a growing extent, regimentation. It is the purpose of trade agreements to find outlets for such surpluses.

The trade-agreements program has already demonstrated to the world that it is possible to break through the blockade of excessive trade restrictions which nations have blindly imposed against themselves. It has demonstrated the benefits of cooperating with other nations to increase trade. It has become a symbol of hope that peace hereafter may be founded on a basis of international economic sanity. If not for our own national good, then in the interest of peace, dare we forsake the trade-agreements program at this critical time? If we do where, after the war is ended, would the world find an expression of sane principles by which nations in their economic relations could learn to live together harmoniously?

# THE TRADE-AGREEMENTS PROGRAM FROM THE POINT OF VIEW OF THE COLLEGE STUDENT

Address by Wallace McClure 6

[Released to the press February 22]

I am glad that you are permitting me to address your class in World Affairs on Washington's birthday. And I am particularly proud that the class is itself a feature of the institution

of higher learning which bears the name of and stands a worthy monument to the mother of Washington—here in the community which was long her residence, and his. There is a real appropriateness, moreover, in the choice of trade agreements as our subject. For Washington was, first and foremost a great revolutionary—the leader, both in arms and statesmanship, of

<sup>&</sup>lt;sup>6</sup> Delivered at Mary Washington College, Fredericksburg, Va., February 22, 1940. Mr. McClure is Assistant Chief of the Treaty Division, Department of State.

one of the successful revolutions disclosed by the pages of world history-and the revolution which he led to successful consummation was in large part directed against the system of hindrances to trade, characteristic of Washington's and preceding centuries, and which our economics books call mercantilism. Nor is it a matter of surprise that, contemporaneously with that revolution, a new school of economists was proclaiming with unanswerable logic and unforgettable eloquence that the wealth of nations is created more abundantly as frustrations in the way of production and distribution are eliminated and that there will be more of the good things of life for all of us if production is actually carried on where circumstances combine to make its operations possible with a minimum of effort.

When, as college students, you examine a problem of your own day and seek conscientiously to fulfill a duty of your own citizenship, you will wish, I am sure, to bring to bear upon it, if you can, whatever light history may offer. This must be done with rigid intellectual honesty, lest you become victims of the common pitfall of supposing that, in the new environment—and every new generation finds itself in a new environment-old advice, old precedents, old solutions, are necessarily in any realistic sense applicable. Nothing can be more unjust to great men of the past than, in Kipling's phrase, for knaves to twist the truth they've spoken and therewith make perhaps a trap for fools. And no twisting is more complete than that of applying words uttered at one time and in the face of one set of facts to a set of facts occurring decades or centuries later and necessarily differing, even though in some respects remaining similar.

Thus, it would be absurd to say that, because the Washington administration, serving a new small debtor nation, well suited for industrial enterprise if only the inertia of commencement could be overcome, approved a moderate tariff on imports, there is anything Washingtonian about the excessive, often "skyscraping" duties imposed under the tariff acts of 1922 and 1930. And it would also be unfair to accredit Washington with approval of the unconditional most-

favored-nation policy of the treaties and executive agreements inaugurated by Secretary (now Chief Justice) Hughes and continued by the present administration in the reciprocal trade agreements, correctly associated with the name of Secretary Hull, merely because Washington said, in his Farewell Address, "our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences. . . . " But the historical fact remains that the international economic policies of the United States during the first half century and more of its independence were principally concerned with breaking down the vestiges of the old mercantilism, chiefly expressed in discriminatory navigation laws. And it seems unquestionably true that there is something of a parallel today, yet one marked by far heavier lines of obstructionism, in the new mercantilism that originated in the black period of the World War and which expresses itself chiefly in governmental controls operating upon the movement of goods-tariffs of fantastic height and other devices of even more fantastic conception and form, and even more realistic effectiveness. It is interesting to note, accordingly, that, notwithstanding the lapse of a century and a half, the Government of the United States at this day is advocating, as the remedy for depression resulting from such fantasies translated into fact, these same principles of moderation and of equality of treatment.

Just as the old navigation laws of Washington's day were eventually blotted out by a long series of treaties and executive agreements opening ports to the shipping of all countries and prescribing equal port dues for all, with moderation in charges inevitably following, since they fell alike upon national and nonnational vessels, so effort is being made in this decade of post-war economic crisis and chaos to use the corresponding instrumentality of the reciprocal trade agreement to restore moderation and strengthen equality as twin principles governing such governmental control as may be exercised over the exchange of merchandise between nations. It is, of course, with this present-day effort that we are concerned today.

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The immediate background of the current trade-agreements policy and its practical operation through the conclusion of agreements with other countries—now numbering 20—was the world depression-generally believed to have been the worst depression in all history. The American people and their representatives in the Federal Government, though necessarily dealing with unprecedentedly complex economic problems, had shown a totalitarian disregard for the teachings of the science of economics. Their minds continued to dwell upon the possibilities (note that I am not saying the desirabilities) of debtor-nation economy and, in their thinking, they refused to accept the coveted status of creditor to other peoples. They demanded the payment of debts but refused payments in the only forms of wealth in which the debtors could ultimately pay. And for the most part they seemed unable to grasp the connection between debts and tariffs and accompanied their policy of debt collection with a policy of pay prevention through prohibitory tariffs upon the goods by means of which alone the debtors were equipped with possibility of payment. And finally, rejecting the practically unanimous voice of the economists of the country, they met the outbreak of acute depression with further tariff increases, thus inviting (and obtaining) imitation throughout the world and handing out not food but poison to an economically starved mankind.

In these ways the depression was rendered more acute; but the educational effect was immense. In 1934 a step was taken in accordance with economic science and with results which the economists of the country—as shown by a recent poll—approve with substantial unanimity. This step was the enactment of the Trade Agreements Act.

I can think of no better way to approach an examination of the trade-agreement policy than from the point of view of the college student, the point of view of yourselves.

You can examine it without ulterior motive, for, as college students, your one aim is to learn the truth. Economic questions in general, but particularly questions even remotely

involving the tariff, are wont to evoke inquiries that are not pertinent. Persons engaged in production and transportation all too frequently separate themselves from their countrymen and espouse measures calculated to enrich themselves at the expense of the country as a whole. That they are frequently in the short run myopic and always in the long run wrong need not detain us. The point is that they are willing to put their fancied gain above the public welfare. You who are fortunate enough to be among the tiny percentage of those of your generation to attend an institution of higher learning and so to undertake the duty and responsibility of leadership in the days to come, have, as college students, no special interest to serve: you can have no point of view except that of your country, of one united people. And, pondering upon the interest of your country as a whole you can, in particularly full perspective, appreciate that interest in its breadth and in its depth, in its generous relations with the rest of the world, and with respect to its healthy development in the foreseeable future. You can with clarity perceive that such a policy is likely to have more than one aspect and to be connected with more than one field of endeavor. I should like to invite you, accordingly, in the light of history and as unbiased scholars, to examine it as a contribution to more prosperous economy, more efficient government, more effective democracy, and more peaceful international relations.

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The advocacy of reciprocal trade agreements is, of course, based on the belief that trade is beneficial. Washington, with ripe experience as a planter and exporter, commended, in his Farewell Address, "liberal intercourse with all nations . . . diffusing and diversifying by gentle means the streams of commerce . . . establishing with Powers so disposed, in order to give to trade a stable course . . . conventional rules of intercourse, the best that present circumstances and mutual opinion will permit." That is precisely what the trade agreements do, and in doing so they follow not only Washington's

advice but that of his contemporary, Adam Smith, father of modern political economy, and the persistent counsel of almost every economist and merchant since their time.

It is worth remembering also that the Constitutional Convention over which Washington presided, keenly aware, as it was, of the depression-producing effects of barriers to interstate trade, had sought to eliminate forever practices which made the Potomac a navigation and customs frontier between Virginia and Maryland and which other States indulged in to their mutual impoverishment. Nor should it be forgotten that Washington's friend and neighbor, George Mason, stalwart liberal that he was, declined to sign the Constitution in large part because he felt that it did not sufficiently safeguard the people from interference with their international trade by the new Federal Government about to be set up. He thought, indeed, chiefly in terms of interference with shipping, but in those days, as above pointed out, navigation laws, rather than tariffs, were the most potent trade obstructors.

We may fittingly pay tribute to George Mason's fears when we contemplate the tariff act of 1930.

The Congress did, indeed, pay unconscious tribute to the economic philosophy of the Revolution, as well as to the accumulated economic wisdom of all experience, when it amended the tariff act of 1930 so as to reduce tariff rates whenever the President should, in negotiation with other countries, arrive at reciprocal agreements whereby both parties would undertake to encourage trade between their respective peoples by lowering barriers—tariff duties and others—between them.

Since the Trade Agreements Act became law on June 12, 1934, 23 trade agreements have been entered into by the President and several others are now in process of negotiation. Agreements have occasionally been altered by special amending agreements. There have been two trade agreements with Canada and two with Cuba; of the others, one, that with Czechoslovakia, is not now operative. Of outstanding importance is the agreement with Great Britain, which has

now been in effect for well over a year. It is between the two largest trading countries in the world and includes also Newfoundland and the British colonies.

In view of the fact that the people of Great Britain are and long have been the most important group of purchasers of agricultural products from the United States, the complete abolition of British duties on wheat, lard (the most important corn-hog export), canned grape-fruit, and certain fruit juices, is particularly noteworthy; substantial reductions were, moreover, effected in respect of rice, apples (one of Virginia's leading agricultural specialties), pears, and certain canned fruits. The quota of American hams (inclusive of those which make Virginia famous) was increased and their free entry was bound against change.

Naturally the reductions made in the United States tariff are characteristically on fabricated articles, among which certain textiles are of outstanding importance. But in respect of both exports and imports the items affected by the agreement are far too numerous to be accurately set forth in one or two examples or generalizations.

The trade agreements contain not only reciprocal-trade-barrier reductions, but, save in the special case of Cuba, reciprocal promises that, should either party make further reductions in an agreement with some third country, these reductions will be applicable to imports from the other, as though superadded to the original agreement between them. This is the equality of treatment or most-favored-nation treatment clause, which is the companion principle upon which, along with the moderation of duties, the trade agreements are based. Obviously the conclusion of a trade agreement would be a matter of precarious value if either party should be permitted thereafter to leave a heavier burden on the commerce of the other than on that of some competing third power with which it might subsequently enter into a reciprocity bargain. Moreover the simplicity of equality as contrasted with the complexity of special treatment of separate countries is a strong economic argument and preferences and

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discriminations usually result in economic waste in much the same way as outright obstructions to trade: that is to say, they tend to divert trade into ulterior channels rather than to leave it where, again to quote Washington's words, it would follow "the natural course of things," the channels indicated by maximum product for minimum labor.

Here, indeed, is the key to the justification of trade, international no less than interstate or local. All of us want wealth in many forms with the least attendant expense. We can have more of the things we want if they are produced where natural and other factors combine to make production cheapest. Unless everything each of us possesses is made by himself or his family or other persons with whom he shares things in common, trade must continually go on. Since no area or country produces all things cheapest, the widest possible exchange of useful articles throughout the world is necessary if all of us are to have the largest possible proportion of our respective wants fulfilled-in other words, if there is to be the highest attainable standard of living. Thus international trade is essential to the building up of popular living standards and the trade agreements, by reducing obstructions to trade, promote the development of trade and so are calculated to help us all to have more of this world's goods than we should have without them. That such is actually their effect is indicated by the fact that trade has grown substantially more rapidly with the trade-agreement countries, or, where there has been recession, has fallen off in less amount, than with countries with which no such promoters of the interchange of goods exist.

The diffusion of benefits is probably universal: the reduction of a Canadian duty on various automotive vehicles, for instance, may result (as it has) in an increase in imports from the United States into Canada. This puts more men to work in automotive factories here. This, in turn, increases urban purchasing power for such agricultural products as beef and cheese and so builds up their home market and perhaps raises the prices the herdsman or dairy farmer receives. This enables the latter

producers to purchase more of the things they want, which stimulates other industries, and so proceeds on and on in unending circles of increasing prosperity. Meanwhile the Canadian farmer is able to get more for his money when he needs a tractor or an automobile and so has something left for other purchases which set in motion circles of increased business activity that similarly may go on and on indefinitely. It is noteworthy that in the United States—doubtless everywhere—increased importation of goods is a thoroughly trustworthy sign of increased prosperity. Unimpeachable statistics show that the two almost invariably rise and fall together.

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As patriotic citizens, college students are concerned, of course, with the efficient production of the good things of life for the people of their country and the people of all countries. They are anxious that their Government shall not be guilty of causing waste of effort such as trade barriers imply. But they realize also that, in view of the long background of tariff history and the age-old custom of moderate protection, their attack should be directed only upon the excessive barriers and super-obstructionism of the post World War decades and that tariffmaking in the United States must and will continue. Accordingly they ask themselves what is the best procedure for constructing a tariff in the enlightened national interest and that alone.

Washington, to whom his country stands eternally indebted for its union and its strength, told his countrymen in no uncertain terms that to the efficacy and permanency of that union, "a Government for the whole is indispensable". It would have been indeed fortunate if that function of government which is involved in tariff-making could have been carried on in the spirit of government for the whole.

But the national legislature, for reasons sufficient in themselves, is chosen from local constituencies and that fact long since made of legislative tariff rate-making a process quite incompatible with results reflective of a national point of view. Moreover, the business of a leg-

islature is to determine broad lines of policy, not to work out the minute details of their application, and the old system of tariff-rate determination long since fell into abysmal disrepute.

This political principle is admirably illustrated by the method employed by the people of the United States for the control of railroad rates. You have noted in the papers within the last few days the fact that the Interstate Commerce Commission has ordered the eastern railroads to reduce their basic passenger-coach rates to 2 cents per mile. No question appears to have been raised regarding the propriety of this method of accomplishing the end in view: regulation of a public service performed by private companies. The national legislature determined the policy of such regulation and laid down the rules of its performance. But the actual rates are determined and determined definitively by a permanent commission of experts devoting to the job specialized knowledge and perennial study. There appears to be no record that anyone has ever suggested that the rates thus fixed be subject to ratification by the Senate or confirmation by Congress.

An instructive parallel exists between railroad rate-making and tariff rate-making. Both affect intimately the public in general and the conduct of business in particular. In both cases sectional and local favoritism has been charged and doubtless has existed. Both processes require patient acquisition and study of vast arrays of highly detailed statistical and other facts. Reasonably correct findings require both vast amounts of time for examination of data and carefully weighed judgment in interpreting such data. Neither could be performed by men proficiently engaging their minds in the very different intellectual process of making large decisions in the realms of high policy.

A quarter of a century ago, accordingly, the Congress created the United States Tariff Commission on the general model of the Interstate Commerce Commission and gave it a mandate to assist in tariff rate-making. This Commission, together with the Departments of Agriculture,

Commerce, State, and the Treasury, contribute qualified personnel to the interdepartmental organization which advises the President—the sole authority under the Constitution for negotiating on behalf of the American people with the representatives of other peoples—as to the tariff changes, within the statutory limits of 50 per centum of the rates of the 1930 act, which he may put into the trade agreements on behalf of his Government without unduly dislocating the existing economic situation. That such advice has been adequate is evidenced by the fact that no one seriously claims that any measurable specific injury has been done, after more than 5 years of duty reductions, to any protected industry.

To submit the agreements as concluded with other countries to either the Senate alone or to both Houses of Congress for review would be to throw away all of the hard-won advantages of tariff rate-making from the national point of view by disinterested specialists and revive all the evils of local and vested interest pressures which made the enactment of tariff laws in former times a reproach to the American system of government-a reproach because it was, in all truth, a perversion of the legislative function of determining policy to the administrative function of applying that policy to specific facts and circumstances. The Trade Agreements Act is not a delegation of legislative power: it is a belated recognition of a neglected Executive

power-and duty.

It is interesting to note that the first political and legal precedent for the Trade Agreements Act was signed by President Washington in 1792, when Congress passed an act which cleared the way for executive agreements with other countries providing for the international carriage of the mails. Washington's postmaster general, Timothy Pickering, subsequently his Secretary of State, concluded the first postal agreement—with Canada—almost immediately thereafter. Several hundred such agreements have, in the intervening century and a half, been put into operation; among their regulations are those fixing postal rates or tariffs. Constitutionally, they would seem to parallel the trade

agreements and to reinforce the other hundreds of precedents, many of them in the field of commerce, the validity of which, whenever they have been brought before the Supreme Court, has been invariably sustained.

#### III

No more solemn warning ever issued from the pen of Washington than that of the evils of partisanship-"the fury of party spirit," and "the impostures of pretended patriotism." The discredited system of legislative tariff rate-making invited both these evils in particularly aggravated form and made of a very serious national and international economic issue a plaything of local and personal unenlightened self-interest. Can anyone argue that the results represented the wishes of the American people? Can anyone deny that the whole consequence represented a pitiful travesty upon the ideal of government of, by, and for the people? Popular sovereignty is but a mockery when it is flouted by high-pressure group influences and consequent "log-rolling" on the part of the people's own servants.

Democracy is easily theorized about, difficult to reduce to workable formulae of operation. The old method of tariff rate-finding failed not because of any want of democracy in Congress as an institution, but because of an attempt to use it for purposes to which it is not and never was adapted. The people of the United States as a whole, as well as the people of every one of its parts, hold the Executive responsible to their electorates. Experience has proven that, with the assistance of a permanent staff of civil-service appointees, the Executive is better equipped and more sheltered from anti-democratic influences than any other agency so far tried for the job of the fixation, within limitations laid down by the National Legislature, of tariff rates designed to reflect the national interest. Expert and thoroughly responsible both to the people and to Congress-which stands always ready to alter or repeal any law that is shown to be other than beneficent-those who administer the Trade

Agreements Act would seem to have effected a genuine forward step in the science and art of democratic government and to have created a higher degree of effective democracy in the United States.

#### IV

The trade-agreements program is not an affair of domestic policy merely. It has a very important place in the international policy of this country. At a time when, throughout the world, governments were following the advice of those who would exorcise the curse of economic poverty by setting up all manner of obstructions to production-like "curing" one afflicted with pulmonary tuberculosis by confining him in an air-tight compartment—the American people determined to face in the opposite direction, to do something to encourage the interchange, consequently the creation, of the things all people want. International trade had been prostrated by the depression which trade obstructionism had helped to bring about. There was vital need for a policy of healing and restoration. Such was one aspect of the genesis of the trade-agreements program.

It is an aspect even more vital than the contribution of the trade agreements to national prosperity or the development of the science of democratic government, for it is distinctly related to the maintenance of peace and order in the world.

The trade agreements are emissaries of peace because they encourage the nations to be helpful to one another, to cooperate in economic production calculated to provide the largest returns for the least expenditure of labor. Trade, by enabling production to take place where it is most efficient thus encourages peace, and the resulting addition to popular contentment tends to immunize mankind from the contagious inflammation of war. The provision for equality of treatment impresses the nations with its fairness and brings reactions favorable to peaceful attitudes in contrast to the bitterness that grows out of special discriminations and the wrathbreeding retaliations that may be expected to spring up in their path.

Having once assumed the leadership for better world conditions which the trade-agreements policy has given them, will the American people consent to abandon it now? To do so would be to throw away their best agency for assisting the warring nations to a practicable and a lasting settlement, once there has come an armistice to the present hostilities.

While orators are today paying tribute to the Father of his Country, and the Congress is listening to the reading of the Farewell Address, pausing as it were in this week's discussion of the necessary resolution to extend the life of the Trade Agreements Act, we can perhaps most fittingly close today's meeting of the class with an excerpt from that famous pronouncement:

"Observe good faith and justice towards all nations. Cultivate peace and harmony with all. Religion and morality enjoin this conduct; and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened,

and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt that, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it? Can it be that Providence has not connected the permanent felicity of a Nation with its virtue? The experiment, at least, is recommended by every sentiment which ennobles human nature."

Is there any manner in which we can better "cultivate peace and harmony with all" than that of cooperation in building up a better-ordered economic world?—a regime based on equality and reciprocity in which people everywhere can enjoy more of good things of life? A program to such end is like spring sunshine on a frozen highway—that has been clogged and impassable through the length of a hard winter.

# General

# IMMIGRATION VISA STATISTICS 7

[Released to the press February 21]

During the fiscal year ended June 30, 1939, American consular officers abroad issued 58,853 quota and 23,813 nonquota immigration visas, making a total of 82,666 immigration visas, as compared with a total of 74,948 immigration visas issued in the fiscal year 1938, and as compared with a total of 258,348 immigration visas in the fiscal year ended June 30, 1930.

Of the total of 82,666 immigration visas issued in the fiscal year 1939, "new" immigrants

received the 58,853 quota visas and 20,493 of the nonquota visas, or a total of 79,346. The remaining 3,320 nonquota visas were issued to students, whose admission into the United States is on a temporary basis, and to aliens previously lawfully admitted into the United States for permanent residence who were returning from temporary absences. Of the 79,346 "new" immigrants, 15,627, or approximately 20 percent, consisted of fathers, mothers, and husbands of American citizens, and wives and unmarried, minor children of lawful alien residents of the United States.

The annual immigration quotas for all countries total 153,774, against which 58,853 quota visas were issued in the fiscal year 1939, representing an underissue of 62 percent. Forty-

<sup>&</sup>lt;sup>7</sup>A recent publication (No. 1386) of the Department of State entitled, *The Immigration Work of the Department of State and Its Consular Officers*, revised to July 1, 1938, contains a useful summary of immigration work up to that date. Copies may be obtained at 10¢ each from the Superintendent of Documents, Government Printing Office, Washington, D. C.

six percent of the quota immigration visas issued in the fiscal year 1939 were received by persons chargeable to the quota for Germany, including former Austria, as compared with 43 percent in 1938.

The quotas for the following countries were fully issued during the 1939 fiscal year: Albania, Australia, Bulgaria, China, Czechoslovakia, Free City of Danzig, Germany, Greece, Hungary, Latvia, Lithuania, Palestine, Poland, Rumania, Syria, Turkey, Yugoslavia, and the Philippine Islands.

Of the 20,493 nonquota visas (not including students and returning residents) issued in the fiscal year 1939, 12,299, or approximately 60 percent, were received by persons born in countries of the Western Hemisphere. Of the latter

number, 7,811 visas were issued to persons born

in Canada, as compared with 10,687 in the fiscal

year 1938, and 2,262 visas were issued to Mexican-born persons, as compared with 2,483 in the previous fiscal year.

Owing to disturbed conditions abroad the demand for immigration visas has increased since a few months prior to the end of the 1938 fiscal year, as compared with the several preceding years. By June 30, 1939, the total number of aliens registered at consular offices as intending quota immigrants amounted to 657,-353, as compared with 317,606 on June 30, 1938, and 246,869 on June 30, 1937. Of the total number of aliens registered on June 30, 1939, 309,782 were chargeable to the quota for Germany, 115,-222 to the quota for Poland, 51,271 to the quota for Czechoslovakia, and 32,836 to the quota for Hungary. These figures do not include the nonquota immigration visa demand, of which no register is kept by consular officers.

QUOTA IMMIGRATION VISA STATISTICS FOR THE FISCAL YEAR ENDED JUNE 30, 1939
VISAS ISSUED AGAINST ANNUAL QUOTA

|                                   |                 |                                      | Preferen | nce visas           |        | N                           | m. s. t                 | Percent                     |
|-----------------------------------|-----------------|--------------------------------------|----------|---------------------|--------|-----------------------------|-------------------------|-----------------------------|
| Country                           | Annual<br>quota | Relatives of<br>American<br>citizens | Farmers  | Relatives of aliens | Total  | Nonpref-<br>erence<br>visas | Total<br>quota<br>visas | of annua<br>quota<br>issued |
| Afghanistan                       | 100             |                                      |          |                     |        |                             |                         |                             |
| Albania                           |                 | 31                                   |          | 69                  | 100    |                             | 100                     | 100                         |
| Andorra                           | 100             |                                      |          |                     |        |                             |                         |                             |
| Arabian Peninsula                 | 100             | 2                                    |          |                     | 2      | 5                           | 7                       | 7                           |
| Australia                         | 100             | 4                                    |          | 1                   | 5      | 95                          | 100                     | 100                         |
| Belgium<br>Bhutan                 |                 | 19                                   |          | 6                   | 25     | 362                         | 387                     | 29                          |
| Bnutan                            | 100<br>100      | 7                                    |          | 15                  | 22     | 78                          |                         | 100                         |
| BulgariaCameroons, British        |                 | 1 '                                  |          | 15                  | 22     | 18                          | 100                     | 100                         |
| Cameroun, French                  | 100             |                                      |          |                     |        | 2                           | 2                       | 2                           |
| China                             | 100             |                                      |          | 3                   | 3      | 97                          | 100                     | 100                         |
| Czechoslovakia                    | 2, 874          | 255                                  | 10       | 162                 | 427    | 2, 447                      | 2, 874                  | 100                         |
| Danzig, Free City of              |                 | 6                                    | 10       | 10                  | 16     | 84                          | 100                     | 100                         |
| Denmark                           | 1, 181          | 23                                   |          | 13                  | 36     | 275                         | 311                     | 26                          |
| Egypt                             |                 | 1                                    |          |                     | 1      | 54                          | 55                      | 55                          |
| Estonia                           |                 | 6                                    |          | 4                   | 10     | 98                          | 108                     | 93                          |
| Ethiopia                          |                 |                                      |          |                     |        | 1                           | 1                       | 1                           |
| Finland                           | 569             | 27                                   |          | 24                  | 51     | 422                         | 473                     | 83                          |
| France                            | 3, 086          | 43                                   | 14       | 41                  | 98     | 933                         | 1, 031                  | 33                          |
| Germany                           | 27, 370         | 1,077                                | 57       | 1, 128              | 2, 262 | 25, 108                     | 27, 370                 | 100                         |
| reat Britain and Northern Ireland | 65, 721         | 202                                  | 2        | 227                 | 431    | 3, 173                      | 3, 604                  | 5                           |
| Greece                            | 307             | 115                                  | 1        | 52                  | 168    | 139                         | 307                     | 100                         |
| Hungary                           | 869             | 197                                  | 24       | 203                 | 424    | 445                         | 869                     | 100                         |
| celand                            | 100             | 1                                    |          |                     | 1      | 3                           | 4                       | 4                           |
| ndia                              | 100             | 2                                    |          | 1                   | 3      | 32                          | 35                      | 35                          |
| ran                               | 100             | 1                                    |          |                     | 1      | 28                          | 29                      | 29                          |
| raq                               | 100             | 1                                    |          | 1                   | 2      | 31                          | 33                      | 33                          |
| reland                            | 17, 853         | 29                                   |          | 20                  | 49     | 1, 404                      | 1, 453                  | 8                           |
| [taly                             | 5, 802          | 1, 247                               |          | 669                 | 1, 916 | 2, 427                      | 4, 343                  | 75                          |
| apan                              | 100             |                                      |          |                     |        | 19                          | 19                      | 19                          |

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# QUOTA IMMIGRATION VISA STATISTICS FOR THE FISCAL YEAR ENDED JUNE 30, 1939—Continued VISAS ISSUED AGAINST ANNUAL QUOTA—continued

|                                     |              |                                      | Preferen | nce visas              |        |                             |                         | Percent                      |
|-------------------------------------|--------------|--------------------------------------|----------|------------------------|--------|-----------------------------|-------------------------|------------------------------|
| Country                             | Annual quota | Relatives of<br>American<br>citizens | Farmers  | Relatives<br>of aliens | Total  | Nonpref-<br>erence<br>visas | Total<br>quota<br>visas | of annual<br>quota<br>issued |
| Latvia                              | 236          | 23                                   |          | 14                     | 37     | 199                         | 236                     | 100                          |
| Liberia                             | 100          |                                      |          |                        |        | 4                           | 4                       | 4                            |
| Liechtenstein                       | 100          |                                      |          |                        |        |                             |                         |                              |
| Lithuania                           | 386          | 52                                   |          | 19                     | 71     | 315                         | 386                     | 100                          |
| Luxemburg                           | 100          |                                      |          |                        | • • •  | 30                          | 30                      | 30                           |
| Monaco                              |              |                                      |          |                        |        | 4                           | 4                       | 4                            |
| Morocco                             |              |                                      |          |                        |        | 3                           | 3                       | 3                            |
| Muscat                              | 100          |                                      |          |                        |        |                             |                         |                              |
| Nauru                               | 100          |                                      |          |                        |        |                             |                         |                              |
|                                     | 100          |                                      |          |                        |        |                             |                         |                              |
|                                     |              | 33                                   | 7        | 10                     |        |                             | 1 100                   | 90                           |
| Netherlands                         | 3, 153       | 33                                   | -        | 18                     | 58     | 1, 141                      | 1, 199                  | 38                           |
| New Guinea                          |              |                                      |          |                        |        |                             |                         |                              |
| New Zealand                         |              | 2                                    |          |                        | 2      | 48                          | 50                      | 50                           |
| Norway                              |              | 42                                   |          | 31                     | 73     | 378                         | 451                     | 19                           |
| Palestine                           | 100          | 8                                    |          | 10                     | 18     | 82                          | 100                     | 100                          |
| Philippine Islands                  | 50           | 1                                    |          | 45                     | 46     | 4                           | 50                      | 100                          |
| Poland                              | 6, 524       | 754                                  | 23       | 373                    | 1, 150 | 5, 374                      | 6, 524                  | 100                          |
| Portugal                            | 440          | 78                                   |          | 97                     | 175    | 197                         | 372                     | 84                           |
| Ruanda and Urundi                   | 100          |                                      |          |                        |        |                             |                         |                              |
| Rumania                             | 377          | 185                                  | 1        | 31                     | 217    | 160                         | 377                     | 100                          |
| Samoa, Western                      | 100          |                                      |          |                        |        |                             |                         |                              |
| San Marino                          | 100          |                                      |          | 2                      | 2      | 6                           | 8                       | 8                            |
| Saudi Arabia                        | 100          |                                      |          |                        |        |                             |                         |                              |
| South Africa, Union of              | 100          | 2                                    |          | 1                      | 3      | 63                          | 66                      | 66                           |
| South-West Africa                   | 100          | -                                    |          | -                      |        | 00                          | 00                      | 00                           |
| Spain                               | 252          | 48                                   |          | 86                     | 134    | 116                         | 250                     | 99                           |
| Sweden                              | 3, 314       | 24                                   |          | 10                     | 34     | 317                         | 351                     | 11                           |
| Switzerland                         | 1, 707       | 17                                   |          | 17                     | 34     | 766                         | 800                     | 46                           |
|                                     | 123          | 50                                   |          | 9                      | 59     | 64                          | 123                     | 100                          |
|                                     | 100          | 30                                   |          | 9                      | 99     | 04                          | 120                     | 100                          |
| Tanganyika                          |              |                                      |          |                        |        |                             |                         |                              |
| Thailand                            | 100          |                                      |          |                        |        |                             |                         |                              |
| Togoland (British)                  | 100          |                                      |          |                        |        |                             |                         |                              |
| Togoland (French)                   | 100          |                                      |          |                        |        |                             |                         |                              |
| Turkey                              | 226          | 112                                  |          | 19                     | 131    | 95                          | 226                     | 100                          |
| Union of Soviet Socialist Republics | 2, 712       | 123                                  | 5        | 55                     | 183    | 2, 400                      | 2, 583                  | 95                           |
| Yap                                 | 100          |                                      |          |                        |        |                             |                         |                              |
| Yugoslavia                          | 845          | 76                                   |          | 59                     | 135    | 710                         | 845                     | 100                          |
| Total                               | 153, 774     | 4, 926                               | 144      | 3, 545                 | 8, 615 | 50, 238                     | 58, 853                 | 38                           |

# Nonquota Immigration Visa Statistics for the Fiscal Year Ended June 30, 1939 nonquota visas issued—transocéanic countries

| Country of birth                   | Relatives<br>of<br>American<br>citizens | Returning<br>aliens | Natives of<br>Western<br>Hemi-<br>sphere | Ministers<br>and<br>professors | Students | Alien<br>women<br>formerly<br>United<br>States<br>citizens | Total  |
|------------------------------------|---|---------------------|--|--------------------------------|----------|--|--------|
| Czechoslovakia                     | 431                                     | 4                   |  | 65                             | 29<br>57 | 1  | 530    |
| France                             | 89                                      | 57                  | 4  | 22                             |          | 3  | 232    |
| Germany                            | 448                                     | 94                  | 1  | 297                            | 111      | 24   | 975    |
| Great Britain and Northern Ireland | 440                                     | 288                 | 53                                       | 66                             | 240      | 3  | 1,090  |
| Greece                             | 379                                     | 26                  |  | 29                             | 8        | 3  | 445    |
| Hungary                            | 112                                     | 13                  | 1  | 92                             | 46       | 2  | 266    |
| Ireland                            | 54                                      | 38                  |  | 3                              | 59       |  | 154    |
| Italy                              | 2, 529                                  | 70                  |  | 68                             | 42       | 6  | 2, 715 |
| Norway                             | 92                                      | 19                  | 1  | 10                             | 23       | 1 1  | 146    |

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# Nonquota Immigration Visa Statistics for the Fiscal Year Ended June 30, 1939—Continued nonquota visas issued—Transoceanic counteris—continued

| Country of birth                    | Relatives<br>of<br>American<br>citizens | Returning aliens | Natives of<br>Western<br>Hemi-<br>sphere | Ministers<br>and<br>professors | Students | Alien<br>women<br>formerly<br>United<br>States<br>citizens | Total   |
|-------------------------------------|---|------------------|--|--------------------------------|----------|--|---------|
| Poland                              | 616                                     | 10               |  | 122                            | 37       | 1  | 786     |
| Rumania                             | 143                                     | 8                | 4  | 45                             | 12       |  | 212     |
| Spain                               | 72                                      | 29               |  | 30                             | 7        |  | 138     |
| Sweden                              | 41                                      | 40               |  | 9                              | 21       | 1  | 112     |
| Turkey                              | 97                                      | 12               |  | 5                              | 56       |  | 170     |
| Union of Soviet Socialist Republics | 146                                     | 15               | 4  | 29                             | 19       | 1  | 214     |
| Yugoslavia                          | 210                                     | 4                | 3  | 15                             | 6        |  | 238     |
| Other quota countries               | 734                                     | 204              | 4  | 153                            | 493      | 5  | 1, 593  |
| Total                               | 6, 633                                  | 931              | 75                                       | 1, 060                         | 1, 266   | 51   | 10, 016 |

#### NONQUOTA VISAS ISSUED-WESTERN HEMISPHERE

| Argentina  |        |        | 79      |        | 19     |    | 100      |
|--|--------|--------|---------|--------|--------|----|----------|
| Bolivia  |        |        | 7       |        |        |    | 7        |
| Brazil   |        | 6      | 61      |        | 20     |    | 90       |
| Canada   |        | 68     | 7, 514  | 58     | 473    | 6  | 8, 352   |
| Canal Zone   |        |        | 17      |        |        |    | 7        |
| Chile  |        | 2      | 46      |        | 29     |    | 80       |
| Colombia   |        | 7      | 183     |        | 21     |    | 212      |
| Costa Rica   |        | 7      | 68      |        | 18     | 1  | 95       |
| Cuba   | 11     | 19     | 613     |        | 13     |    | 656      |
| Dominican Republic   | 1      |        | 147     |        | 1      |    | 149      |
| Ecuador  |        | 5      | 50      |        | 2.     |    | 57       |
| El Salvador  |        | 6      | 81      | 1      |        |    | 88       |
| Guatemala  |        | 6      | 27      |        | 16     |    | 88<br>49 |
| Haiti  | 1      |        | 9       |        | 10     |    | 20       |
| Honduras   |        | 3      | 69      |        | 7      |    | 79       |
| Mexico   |        | 35     | 2, 183  | 25     | 157    | 2  | 2, 454   |
| Newfoundland   |        | 1      | 371     | 10     | 9      | -  | 403      |
| Nicaragua  |        | 4      | 35      |        | 1      |    | 40       |
| Panama   | 3      | 2      | 135     |        | 3      |    | 143      |
| Paraguay   |        |        | 2       |        |        |    | 2        |
| Peru   |        | 5      | 47      |        | 8      |    | 60       |
| Uruguay  |        | 1      | 7       |        | 1      |    | 10       |
| Venezuela  | i      | 32     | 129     | 1      | 37     |    | 200      |
| venezuela  | 1      | 32     | 128     | 1      | 01     |    | 200      |
| Total  | 325    | 209    | 11, 880 | 85     | 845    | 9  | 13, 353  |
| Aliens born in United States (including Virgin<br>Islands and Puerto Rico) and aliens having<br>no nationality | 54     | 30     | 290     | 5      | 39     | 26 | 444      |
| military and the   | F 010  | 1 180  | 10.012  |        | 0 150  |    | 20.010   |
| Total for all countries  | 7, 012 | 1, 170 | 12, 245 | 1, 150 | 2, 150 | 86 | 23, 813  |
|  |        | 0.4    |         |        |        |    |          |

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# Foreign Service of the United States

## FOREIGN SERVICE EXAMINATION

[Released to the press February 23]

The Department of State announces that a written examination for commission to the Foreign Service will be held commencing September 16, 1940, at the following points: Atlanta, Boston, Chicago, Cincinnati, Denver, New Orleans, New York, Philadelphia, St. Louis, St. Paul, San Francisco, Seattle, and Washington.

The schedule of examinations will be similar to that followed in the examination of September 18-21, 1939.\*

The oral examinations for candidates attain-

ing an average of 70 percent or higher on the written examination will probably be held during the last 2 weeks of January 1941. The exact dates of these oral examinations will be announced later.

Applicants desiring to qualify for the Foreign Service must be specially designated for examination. Applications for designation are to be addressed to the Secretary of State and must be filed not later than 40 days before the date set for the written examination. No designations for the examinations to be held September 16–19, 1940, will be made after August 6, 1940.

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See Press Releases of March 4, 1939 (Vol. XX, No. 492), p. 164.

# PERSONNEL CHANGES

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[Released to the press February 24]

Changes in the Foreign Service since February 3, 1940:

C. Porter Kuykendall, of Towanda, Pa., consul at Danzig, has been assigned as consul at Königsberg, Germany.

Cecil M. P. Cross, of Providence, R. I., consul at Paris, France, has been designated first secretary of embassy at Paris, and will serve in dual capacity.

Harry M. Donaldson, of West Newton, Pa., vice consul at Havre, France, has been assigned as vice consul at Cherbourg, France.

The assignment of William L. Krieg, of Newark, Ohio, as vice consul at Basel, Switzerland, has been canceled. Mr. Krieg has now been assigned as vice consul at Milan, Italy.

Perry Laukhuff, of Mt. Vernon, Ohio, vice consul at Milan, Italy, has been designated third secretary of embassy and vice consul at Berlin, Germany.

The assignment of M. Williams Blake, of Columbus, Ohio, as vice consul at Birmingham, England, has been canceled. Mr. Blake has now been assigned as vice consul at Basel, Switzerland.

The assignment of Carl F. Norden, of New York, N. Y., as vice consul at Warsaw, Poland, has been canceled. Mr. Norden has now been assigned as vice consul at Prague, Bohemia.

Augustus Ostertag, of Pennsylvania, vice consul at Cherbourg, France, has been appointed vice consul at Berlin, Germany.

John A. Bywater, of Boston, Mass., vice consul at Danzig, has been appointed vice consul at Königsberg, Germany.

Fred E. Waller, of Washington, D. C., vice consul at Nantes, France, has been appointed vice consul at Paris, France.

William N. Carroll, of North Carolina, vice consul at Southampton, England, has been appointed vice consul at Birmingham, England.

Charles E. Hulick, Jr., of Pennsylvania, clerk at Leipzig, Germany, has been appointed vice consul at Leipzig.

John A. Lehrs, of Maryland, interpreter at Copenhagen, Denmark, has been appointed vice consul at Copenhagen.

# **Treaty Information**

Compiled by the Treaty Division

# ARBITRATION AND JUDICIAL SETTLEMENT

# General Act for the Pacific Settlement of International Disputes

The Netherlands

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In regard to the declaration made by Canada when notifying its adherence to the General Act, signed September 26, 1928, that it will not regard its adherence as covering disputes arising out of events occurring during the present war, the Netherlands Government informed the Secretary General of the League of Nations on January 9, 1940, that in taking note of this declaration it is obliged to make the same reservation as that which it made in regard to the denunciation by various states of the Optional Clause of Article 36 of the Statute of the Permanent Court of International Justice, namely, that it "reserves its point of view."

#### Norway

In regard to the declaration made by Australia when adhering to the General Act for the Pacific Settlement of International Disputes, signed September 26, 1928, the Secretary General of the League of Nations states in a circular letter dated January 11, 1940, that the Norwegian Government has informed him that it has taken note of the Australian Government's communication and is obliged to make the same reservations in regard thereto as it has made in regard to the denunciation by various states of the Optional Clause of Article 36 of the Statute of the Permanent Court of International Justice (see the *Bulletin* of February 17, 1940, Vol. II, No. 34, p. 190).

## INTERNATIONAL LAW

# Convention Defining the Rights and Duties of States (Treaty Series No. 881)

Venezuela

The Director General of the Pan American Union informed the Secretary of State by a letter dated February 19, 1940, that the instrument of ratification by Venezuela of the Convention Defining the Rights and Duties of States, signed at Montevideo on December 26, 1933, was deposited with the Union on February 13, 1940.

According to the information of the Department the following countries have deposited instruments of ratification of or adherence to the convention: United States of America, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, and Venezuela.

#### **EDUCATION**

## Convention Concerning Facilities for Educational and Publicity Films

Chile

According to a letter from the Director General of the Pan American Union dated February 13, 1940, the instrument of ratification by Chile of the Convention Concerning Facilities for Educational and Publicity Films, signed at Buenos Aires on December 23, 1936, was deposited with the Union on February 9, 1940. The instrument of ratification is dated December 13, 1939. According to the information of the Department the following countries have deposited instruments of ratification of this con-

vention with the Pan American Union: Brazil, Chile, Costa Rica, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Peru, and Venezuela.

#### EXTRADITION

## Supplementary Extradition Treaty With Guatemala

A supplementary extradition treaty between the United States and Guatemala adding several crimes and offenses to those enumerated in the extradition treaty between the two countries of February 27, 1903 (Treaty Series No. 425), for which extradition may be granted, was signed at Guatemala City on February 20, 1940.

# OPIUM AND OTHER DANGEROUS DRUGS

## Convention for the Suppression of the Illicit Traffic in Dangerous Drugs, and Protocol of Signature

France

According to a circular letter from the League of Nations dated January 30, 1940, the instrument of ratification by France of the Convention for the Suppression of the Illicit Traffic in Dangerous Drugs, with Protocol of Signature, signed at Geneva on June 26, 1936, was deposited with the Secretariat on January 16, 1940.

When transmitting the instrument of ratification the French Government stated that in ratifying the convention its acceptance of the provisions of article 8 must be regarded as an exception and cannot be invoked as a precedent. At the same time it reserved the right to propose in due course a modification of these provisions.

The French Government also declared that it did not assume any obligations as regards its colonies or protectorates or the territories placed under its mandate.

According to information received from the League of Nations the following countries have deposited instruments of ratification of or adherence to the convention: Belgium, Brazil, Canada, China, France, Greece, Guatemala, Haiti, India, Rumania, and Turkey.

### CUSTOMS

# Convention for the Repression of Smuggling

Chile

The Director General of the Pan American Union informed the Secretary of State by a letter dated February 13, 1940, that the instrument of ratification by Chile of the Convention for the Repression of Smuggling, signed at the Pan American Commercial Conference, Buenos Aires, June 19, 1935, was deposited with the Union on February 9, 1940. The instrument of ratification is dated December 13, 1939.

According to the information of the Department the following countries have ratified the convention: Brazil, Chile, Ecuador, and Uruguay.

#### POSTAL

## Universal Postal Convention, 1939

Greece

The American Minister to Greece reported by a despatch dated January 18, 1940, that the Official Gazette No. 543 of December 15, 1939, published a decree law dated December 14, 1939, whereby the Greek Government ratified the International Postal Convention signed at Buenos Aires on May 23, 1939, and the following acts which were signed on the same day: The Arrangement Concerning Letters and Parcels of Declared Value; the Arrangement on Parcel Post; the Arrangement on Money Orders; the Arrangement on Postal Checks; the Arrangement on Collection Accounts; and the Arrangement on Subscriptions to Newspapers and Periodicals, together with the pertinent regulations of execution and final protocols annexed thereto.

### Universal Postal Convention, 1934

Ireland

The Egyptian Minister at Washington informed the Secretary of State by a note dated February 19, 1940, that the instruments of ratification by Ireland of the Universal Postal Convention, signed at Cairo on March 20, 1934, and

the Arrangement Concerning Letters and Parcels of Declared Value, signed on the same day, were deposited with the Egyptian Government on January 10, 1940.

#### **TELECOMMUNICATIONS**

## International Telecommunication Convention (Treaty Series No. 867)

Norway

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According to notification No. 351, dated February 1, 1940, from the Bureau of the International Telecommunication Union at Bern, a

communication was received on January 19, 1940, from the Norwegian Government stating that it has approved the following regulations and protocols annexed to the International Telecommunication Convention of December 9, 1932, as revised at Cairo on April 4 and 8, 1939:

General Radio Regulations (revision of Cairo, 1938)

Additional Radio Regulations (revision of Cairo, 1938)

Telegraph Regulations and Final Protocol (revision of Cairo, 1938)

Telephone Regulations and Final Protocol (revision of Cairo, 1938).

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